



COLORADO DEPARTMENT OF HEALTH CARE POLICY & FINANCING

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Bill Ritter, Jr., Governor • Joan Henneberry, Executive Director

DATE: Week Ending Friday, April 17, 2009

TO: Department of Health Care Policy and Financing Community

FROM: Ginny Brown, Legislative Liaison and Nicole Storm, Legislative Analyst

RE: Legislative Report – 2009 Session of the Colorado General Assembly

The General Assembly worked this week to balance the state budget and considered a number of different options, including two bills aimed at taking \$500 million from a state-created workers compensation insurance company, Pinnacol Assurance.

One of the measures Senate Bill 273, sponsored by the Joint Budget Committee (JBC), requires the company to turn over \$500 million from its approximately \$700 million surplus. The other, Senate Bill 281, also sponsored by the JBC, takes control of its money away from its board which would help the state defend its move against a legal challenge by Pinnacol. It would also require the company to use the remainder of its surplus to issue refunds to businesses with fewer than 50 employees.

Towards the end of the week, however, the tide had turned and Pinnacol's assets had been removed from the list of options. Major cuts, up 64%, to higher education were also withdrawn in favor of alternative measures. Just what those alternatives are is still being worked out. Some front running options include provider rate cuts for private prisons and Medicaid, state employee furloughs and delaying a major water project.

On Thursday, The Colorado House declared a fiscal emergency Thursday and tentatively approved a bipartisan package of bills. These included provider rate cuts for private prisons and Medicaid, state employee furloughs and delaying a major water project. The financial emergency declaration noted that the national economy and the state's economy have contracted at rates not experienced since the Great Depression.

On Friday, the House approved the state budget and sent it back to the Senate.

Senate Bills 261 and 261, both sponsored by the Joint Budget Committee, were passed on third reading this week. SB09-261 allows up to 3 million dollars from the supplemental old age pension health and medical care fund to be used to offset general fund costs of persons 65 years and older who receive Medicaid. SB09-263, provides that payments to nursing facility providers from the nursing facility provider fees shall be paid to providers through supplemental monthly payments rather than increases in per diem rates.

HB09-1342, Representatives Benefield and Kagan and Senators Boyd and Williams, Eliminate Cigarette Sales Tax Exemption, was heard in House Finance Committee on Friday and was laid over for action only until next Tuesday. This bill eliminates the state sales and use tax exemption for cigarettes beginning July 1, 2009. This will help to close a \$30M gap in the state budget.

For more information about legislative activities please contact Ginny Brown 303-866-3972 or Nicole Storm 303-866-3180 or access www.colorado.gov to search the General Assembly Web site. A legislative report will be updated weekly on our Web site www.colorado.gov/hcpf under Partners and Research, Legislative Information, Legislative Update.